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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 07/23/09

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NIKKEI (Page 2) (Full)
July 23, 2009

10:12 Arrived at the Kantei.
11:26 Met Chief Cabinet Secretary Kawamura.
12:58 Met special advisor Shimamura.
13:19 Met Upper House member Kensei Mizote.

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13:58 Attended a meeting of the party's secretaries general and policy research council chairmen across the nation at the Toshi Center Hotel.
15:30 Met Secretary General Hosoda and others.
16:28 Met National Federation of Dairy Cooperative Association Chairman Mamoru Moki in the JA Building.
17:07 Met Nippon Keidanren Chairman Fujio Mitarai at the Keidanren Hall.
17:47 Met government representative Iimura at the Kantei.
18:12 Met Deputy Chief Cabinet Secretary Uruma.
18:50 Met Disaster Prevention Minister Hayashi and Director General for Policy Planning Omori.
19:13 Handled paperwork at his private office in Nagata-cho.
19:28 Received acupuncture and moxibustion treatment in Kita-Aoyama.

21:34 Returned to his official residence.

- 4) Foreign Minister Nakasone confirms with U.S. cooperation among five parties (regarding North Korea)

NIKKEI (Page 2) (Full)
July 23, 2009

Ken Sato, Phuket

Foreign Minister Hirofumi Nakasone, now visiting Phuket in southern Thailand, on July 22 held a meeting with U.S. Secretary of State Hilary Clinton. They agreed to strengthen cooperation among five countries excluding North Korea, based on the notion that the six-party talks to discuss North Korea's nuclear ambition are the most appropriate framework. They also welcomed the opening of a regular meeting between the two countries to discuss nuclear deterrence capabilities, confirming the nuclear deterrence capabilities, including the nuclear umbrella, which the U.S. provides to Japan.

Nakasone after the meeting told reporters: "Holding five-party talks is fine, if it helps resume the six-party talks. However, it is important to hold bilateral or trilateral talks beforehand to foster communication."

Nakasone also met with his Chinese counterpart Yang Jiechi. He during the meeting told him that he hopes China will fulfill its role for the resumption of the six-party talks. Concerning recent Chinese vessels' operations at the Shirakaba (Chunxiao in Chinese) gas field in the East China Sea, Nakasone expressed strong concern. He made it clear that any action that could put a dent in their mutually beneficial strategic relationship should not be taken. Yang said: "There will be no substantial change in the gas field. China attaches importance to the bilateral agreement on resources development."

Concerning the riot in the Xinjiang Uighur Autonomous Region, Yang briefed, "It was a crime committed by separatists." Nakasone expressed concern that the riot had caused casualties. He told Yang, "I hope for a peaceful settlement."

Nakasone during a meeting with his South Korean counterpart Yu Myung Hwan proposed, "It is necessary to tackle talks with North Korea in a comprehensive manner, based on a review of past talks." Both agreed to discuss comprehensive approach to the North.

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5) Chinese foreign minister tells Nakasone: China will give priority on Japan even after general election

MAINICHI (Page 2) (Full)
July 23, 2009

Shoji Nishioka, Phuket, Thailand

Foreign Minister Hirofumi Nakasone, who is now visiting Phuket in southern Thailand, met with his Chinese counterpart Yang Jiechie on the afternoon of July 22. In the meeting, Nakasone expressed strong concern about the fact that Chinese vessels had gathered near Shirakaba (Chunxiao in Chinese), a gas field in the East China Sea. He told Yang: "China should not take action that would deteriorate a strategic reciprocal relationship." In response, Yang said: "There is no actual change in the present situation of that gas field." The two foreign ministers agreed that contacts of working-level officials would be continued.

Referring to the large-scale riot in the Xinjian Uighur Autonomous Region in the meeting, Yang underscored: "(The riot is) a deliberate and organizational act by those inside and outside China who are trying to split the region. China has dealt with the issue based on law." Nakasone then said: "I hope for a peaceful resolution."

Yang made this comment on the Japanese political situation: "China will place importance on relations with Japan even after the general election."

Nakasone met also with U.S. Secretary of State Hillary Clinton. In the session, regarding the Maritime Self-Defense Force's refueling mission in the Indian Ocean, he said: "I hope that the refueling mission will become the Japanese government's unchangeable policy." He indirectly expressed his hope that the refueling mission will continue even after the government is replaced.

Nakasone held talks also with South Korean Foreign Affairs and Trade Minister Yu Myung Hwan. The two agreed that a comprehensive effort will be needed to implement the 2005 joint declaration of the Six-Party Talks, which called for complete abandonment of North Korea's nuclear weapons.

Clinton signed on July 22 the friendship treaty with the Association of Southeast Asian Nations.

6) China emphasizes importance of Six-Party Talks, indicating difference from Japan, U.S.

SANKEI (Page 9) (Full)
July 23, 2009

(Hiroyuki Miyano, Phuket)

Foreign Minister Hirofumi Nakasone held separate meetings on July 22 with his counterparts of the ASEAN countries, the U.S., South Korea and China in Phuket, Thailand, on the sidelines of the ASEAN Regional Forum (ARF). In the string of meetings, Nakasone emphasized that North Korea's nuclear possession and ballistic missile development have posed a threat to regional security and were unacceptable. He then expressed his determination to resolve these problems and the issue of its past abductions of Japanese nationals in a package. Nakasone asked his counterparts to steadily implement

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a resolution adopted by the UN Security Council against North Korea.

In the meeting between Nakasone and U.S. Secretary of State Hillary Clinton, they shared the view that the role to be played by China as the chair of the Six-Party Talks is important. To that end, the two reaffirmed the need for the five members in the Six-Party Talks, excluding North Korea, to confer on future response and steps.

In meeting with Nakasone, Chinese Foreign Minister Yang Jiechi recognized the need for the member countries to steadily implement the resolution, but he expressed that discussion among the six countries is necessary, indicating a different view from that of Japan and the U.S. He said: "The framework of six-party talks is an effective platform to resolve the problems, so we would like to go hand in hand."

7) Plan to return part of the U.S. forces' Ikego Housing Area on condition of building additional military housing

YOMIURI (Page 38) (Full)
July 23, 2009

The Ministry of Defense (MOD) presented a proposal on July 22 to return to Zushi City some 40 hectares of green land in the southwestern part of the U.S. forces' Ikego Housing Area (with a total land area of 288 hectares), which straddles the cities of Yokohama and Zushi, on conditions including cooperation with building an additional 700 housing units for U.S. military families. Zushi has been opposed to the plan to build more houses. If the MOD's proposal is implemented, this will be the first case of partial return of military base land in 31 years, since October 1978. The area of land returned will also be the largest in scale on record, over four times the total of 8.6 hectares returned during the reversion campaign in the 1970s.

Zushi Mayor Ryuichi Hirai held a news conference on the same day, where he stated: "This was an unexpected proposal. We appreciate it to a certain extent. We will study this seriously."

The national government announced a plan in 2003 to build additional family housing units in the Yokohama side of the Ikego Housing Area, which Zushi City opposed on the ground that the Ikego forest straddling the two cities will be damaged. In 2004, the city filed an administrative litigation with the Yokohama District Court demanding an injunction on the government's plan, on the ground that this "violates the 1994 agreement among the government, Kanagawa Prefecture, and Zushi City on not constructing additional houses and preserving the greenery." After the case was rejected in the first trial, the Tokyo High Court also threw out the case in 2007. Zushi has decided not to appeal.

However, Zushi has refused to cooperate with the construction of a U.S. military elementary school and a tunnel in the Zushi side of the housing area in order to block the construction plan. The new proposal includes cooperation in building the elementary school and tunnel among the conditions. Yokohama City, on the other hand, has agreed to the construction work in the Yokohama side of the facility.

Toshio Saito, head of the South Kanto Defense Bureau, who conveyed the government's proposal to Mayor Hirai, said that, "We presented

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an outline of the plan after coordinating with U.S. Forces Japan."

8) DPJ decides to include in draft manifesto - Policy Index 2009 - clear reference to carrying out cargo inspections of North Korean ships; Shifting to pragmatic policy line to ease confrontation with U.S.

SANKEI (Page 2) (Excerpts)
July 23, 2009

The contents of the Democratic Party of Japan's (DPJ) Policy Index 2009, which will become the draft for the party's manifesto (campaign pledges) in the Lower House election, were revealed yesterday. On North Korea policy, the text stressed, "We will take

firm measures" on such matters as implementing cargo inspections, based on the United Nations Security Council resolution. With the possibility increasing that there will be a change in administration, such expressions from last year's policy index as "probing into host nation support (sympathy budget) for U.S. forces stationed in Japan" have been removed, and the text has the characteristic of steering toward a pragmatic line, such as weakening the tone of confrontation with the United States.

Regarding relations with the U.S., last year's policy index stated, "We will start a drastic revision" of the Japan-U.S. Status of Forces Agreement," but in this year's text, the wording has been watered down to: "We will propose a revision." On U.S. force realignment and what to do about U.S. bases in Japan, as well, the expression before, "We will carry out an unrelenting probe," has been replaced with, "We will continue to review."

The text points out that North Korea's second nuclear weapon test and launching of ballistic missiles are "a clear threat and cannot be tolerated." It stresses that regarding such matters as implementation of cargo inspections and additional sanctions, based on a UN resolution to make the North scrap its weapons of mass destruction and development, possession, and deployment of missiles, "we will take resolute measures."

The DPJ in the previous Diet session did not respond to deliberations on the special measures bill to inspect the cargo of North Korean ships that the government had presented. But in case the party takes over power, it has stated its intention to quickly pass the same bill.

Even on the antipiracy measures, such as operations in waters off Somalia, the party has been opposed. But the text clearly states: "We will carry out activities to deal with piracy taking proper procedures." It also states: "In case it is difficult for only the Japan Coast Guard to handle the issue, we also concur with dispatching the Self-Defense Forces, based on preparing a framework that will ensure thorough civilian control."

9) DPJ policy index condones MSDF anti-piracy mission, imposes restrictions on wage income deductions

YOMIURI (Top play) (Full)
July 23, 2009

The Democratic Party of Japan (DPJ) compiled on July 22 its policy index, which will be the basis of its manifesto (campaign pledges) for the House of Representatives election. In anticipation of the

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DPJ's taking over the administration, the document condones the deployment of the Maritime Self-Defense Force (MSDF) for anti-piracy missions. The termination of the MSDF's refueling operations in the Indian Ocean is also not included. The DPJ has put forward a pragmatic line in foreign policy, giving consideration to relations with the U.S. In addition, it has left room for increasing the consumption tax rate in the future and is imposing restrictions on wage income deductions. The party will streamline the policy index further and issue its manifesto before the end of July.

The DPJ normally compiles a policy index each year based on discussions at the party's policy divisions. Since a Lower House election is taking place this year, President Yukio Hatoyama also participated in the drafting process of the new policy index.

The DPJ asserts that anti-piracy measures are primarily the duty of the Japan Coast Guard (JCG), and the organization of this agency will be reinforced accordingly. In addition, "in cases where the situation is difficult for the JCG to handle alone, the dispatch of the SDF to pirate-infested areas under a strict civilian control mechanism will also be allowed."

The policy index for 2008 had opposed the MSDF's refueling mission under the new special antiterrorism measures law. However, this item has been discarded from the new policy index because Hatoyama indicated that the mission will be allowed to continue for the time

being. It is believed that this is meant to leave some flexibility for making a political decision after taking over power.

With regard to the Japan-U.S. alliance, the wording on the Status of Forces Agreement (SOFA) has been softened. Previously, the DPJ said that it would "work on drastic revisions," but now, it will only "suggest revisions." As to Japan's share in the cost of stationing U.S. forces in the country (the so-called sympathy budget), while the party once intended to "continuously examine" such allocations, the new document makes no direct mention of this issue.

The DPJ will maintain the 5 percent tax rate for the consumption tax, but in the future, on condition of making this a social welfare tax and drastic reform of the social welfare systems, a tax hike will be implemented "after seeking the people's verdict by clarifying the margin of increase and the purpose of the additional revenue."

With regard to tax reforms, there will be a shift "from deductions to allowances" and the various tax deductions will be reviewed. Deductions for spouses and dependents will be revised or abolished, to be replaced by the "child allowance" of 26,000 yen per child per month until the child graduates from middle school.

While at present, wage income deductions are allowed for all salaried workers, no matter how much they earn, an income cap will now be applied, which will mean a tax increase for high income earners.

10) DPJ to adopt pragmatic foreign policy to dispel voters' concerns

YOMIURI (Page 2) (Full)
July 23, 2009

With an eye on a possible change of government, the Democratic Party
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of Japan (DPJ) in its 2009 policy platform underscores a pragmatic approach in the diplomatic area. Based on this platform, the party will draw up its manifesto for the upcoming House of Representatives election. By playing up its pragmatic approach, the DPJ aims to erase the voters' concerns toward its policies.

A senior DPJ member said yesterday: "A change of government is becoming a possibility. We were trying to underline policy differences between the government and our party, but we decided to give priority to a well-balanced approach, stemming from the judgment that our conventional stance is likely to cause misunderstood."

Regarding the Northern Territorial issue, which President Yukio Hatoyama regards as a priority issue, the DPJ's conventional stance is to call for the four islands to be returned in a package. But the platform suggests that the party will explore ways to settle the issue in a flexible manner.

The DPJ has been strongly opposed to the dispatch of Self-Defense Force (SDF) troops to the Indian Ocean and Iraq, worrying U.S. government sources that if the DPJ takes over the political reins, Japan-U.S. relations might go sour.

The Liberal Democratic Party (LDP) has lashed out at the DPJ's foreign and security policies. In light of this, many voice doubts about the DPJ's ability to hold the reins of government. The party also aims to dodge a debate on such issues at hand as whether the Maritime Self-Defense Force should continue its refueling mission in the Indian Ocean by taking an "ambiguous stance."

The platform, though, presents no specific proposals about antiterrorism policy. It does not go beyond its conventional stance on such basic policies as national security and constitutional revision, either. The DPJ finds it difficult to be united on policy because the party is a hodge-podge group housing former Social Japan Socialist Party and LDP members.

Even if the main opposition party takes over the reins of government and forms a coalition government with the Social Democratic Party and other opposition parties, members in the coalition might be at odds over basic policies. The DPJ needs to conduct a thorough intraparty discussion first.

11) Gist of set of DPJ policies

YOMIURI (Page 4) (Full)
July 23, 2009

(Cabinet)

For the prime minister to visit Yasukuni Shrine in his official capacity is problematical. We should build a national memorial facility, establish a crisis management agency;; reduce Okinawa's burden resulting from U.S. forces in Japan, and have the Northern Territories returned at an early date.

(Children, gender equality)

Provide monthly child care allowance of 26,000 yen per child; provide a childbirth subsidy of 550,000 yen; introduce a selective dual surname system.

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(Administrative reform)

Over 100 ruling-party lawmakers will join the government as cabinet ministers or senior vice ministers; set up an administrative renovation council; prohibit civil servants' amakudari (golden parachuting) practice; abolish independent administrative corporations in principle; reduce the total labor cost of national civil servants by more than 20 percent.

(Decentralization)

Strengthen basic local governments (municipalities); introduce a lump-sum subsidy system; establish a new system to correct fiscal disparities; abolish the local government contribution system; legislate for consultations between the central and local governments.

(Political reform)

Abolish corporate and organizational donations in three years' time; restrict candidates standing for seats once occupied by family members; reduce the number of Lower House proportional representation seats by 80; reform the Upper house election system; granting local suffrage to foreign residents; prohibit local heads from seeking fourth term.

(Postal businesses)

Drastically review the postal businesses.

(Judicial affairs)

Make criminal investigations transparent; consider introduction of a life imprisonment system.

(Foreign, defense affairs)

Establish a Japan-U.S. alliance for a new age; propose a revision of the Japan-U.S. Status of Forces Agreement; review the modalities of U.S. force realignment and U.S. bases in Japan; promote friendship and cooperation with China; resolute steps against North Korea, including additional sanctions; the state must settle the abduction issue in a responsible manner; although it is the Japan Coast Guard's duty to take antipiracy measures, the dispatch of the Self-Defense Forces should also be allowed.

(Fiscal and financial matters)

Realize a surplus in the primary balance; compile budgets under the

leadership of lawmakers.

(Tax system)

Abolish the ruling party Tax System Research Commission; abolish the spousal and dependent deductions (excluding the high school, college students, and aged dependent deductions); put a cap on the application of deductions from employment income; keep the consumption tax rate at 5 percent and use the entire consumption tax revenue for the pension program; in the future, use the revenue for the safety net, such as the guaranteed minimum pension benefit and medical costs; clarify the range of a tax hike and purposes of use

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based on a drastic reform of the social security system and bring it into shape after obtaining a public mandate; abolish the provisional gasoline tax rate; free up road-related revenues for general spending.

(Education, science)

Make high school education free of charge.

(Health and Welfare)

Abolish the medical insurance system for people 75 and older; increase the number of medical department students by 1.5-fold.

(Pension)

Address intensively the question of unidentified pension accounts; reform the pension system to create a scheme to provide guaranteed minimum pension of 70,000 yen a month per person.

(Labor)

Review the Worker Dispatch Law; set the minimum wage at 1,000 yen.

(Agriculture, Forestry, and Fisheries)

Establish an income indemnity system for individual farming households; increase the food self-sufficiency ratio to 60 percent in 20 years' time.

(Economy, industries)

Increase the small business support budget by three-fold.

(Land, transportation)

Make expressways toll free in principle; suspend the Kawabe Dam project and other projects.

(Environment)

Reduce greenhouse gas emissions by over 60 percent from 1990 levels by 2050.

(Constitution)

Consider amending the Constitution in a cautious yet proactive manner.

12) DPJ's Okada negative on reviewing constitutional interpretation of right of collective self-defense

YOMIURI (Page 4) (Full)
July 23, 2009

Democratic Party of Japan (DPJ) Secretary General Katsuya Okada gave a speech at a hotel in Tokyo on July 22. He said that "I am not really keen" on reviewing the government's constitutional interpretation banning the exercise of the right of collective self-defense. Okada stated that, "If (the exercise of) the right of collective self-defense is allowed, the spirit of Article 9 of the Constitution of restricting the use of force overseas will

practically be lost." He added that, "This issue must be discussed with the awareness that this will change the basic thinking of Article 9."

13) Poll: DPJ scores 40 PERCENT in public support, LDP at 30 PERCENT ; Cabinet support flat at 20 PERCENT

NIKKEI (Page 1) (Full)
July 23, 2009

The Nihon Keizai Shimbun and TV Tokyo conducted a joint spot public opinion survey on July 21-22. The Democratic Party of Japan (Minshuto) marked 40 PERCENT in public support, up 3 points from the last survey taken in early July. The Liberal Democratic Party also rose 1 point to 30 PERCENT . The DPJ outstripped the LDP by 10 points for the first time since a survey taken shortly after the LDP sustained a crushing defeat in the July 2007 election for the House of Councillors. The Aso cabinet's public approval rating was 20 PERCENT , down 1 point from the last survey.

In the survey, respondents were asked which political party they would vote for in their proportional representation blocs of the House of Representatives in its forthcoming general election. In this public preference of political parties for proportional representation, the LDP dropped 1 point from the last survey to 24 PERCENT , with the DPJ rising 5 points to 40 PERCENT . Asked about the desirable form of government, 12 PERCENT chose an "LDP-led coalition government," up 1 point. Those opting for a "DPJ-led coalition government" accounted for 29 PERCENT , up 3 points. Meanwhile, an "LDP-DPJ grand coalition" reached 42 PERCENT .

Respondents were also asked to choose between Prime Minister Aso and DPJ President Hatoyama as to who is more appropriate to become prime minister after the next election for the House of Representatives. In this popularity ranking for the premiership, Aso was at 9 PERCENT , down 2 points from the last survey. Hatoyama rose 6 points to 28 PERCENT . "Neither one" accounted for 57 PERCENT .

In the breakdown of reasons given on a multiple-choice answer basis for not supporting the Aso cabinet, a total of 60 PERCENT said the prime minister has no leadership ability, topping all other answers.

The survey was taken by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,453 households with one or more eligible voters were sampled, and answers were obtained from 869 persons (59.8 PERCENT).

14) Poll: 55 PERCENT weigh pension, healthcare

NIKKEI (Page 2) (Abridged)
July 23, 2009

In the Nihon Keizai Shimbun poll this time, respondents were asked on a multiple-choice answer basis about policies they would weigh when voting in the next general election for the House of Representatives. To this question, "pension, healthcare" topped all other answers, adding up to 55 PERCENT , up 9 points from the last poll taken in early July. "Economic stimulus measures," which ranked top in the last poll, was in second place at 49 PERCENT , up 1

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point. In third place was "job security" as in the last poll, dropping 3 points to 42 PERCENT . It may safely be said that the public is focusing its attention on social security policy measures, with the general election set for Aug. 30.

Broken down into age brackets, among those in their 20s, "economic stimulus measures" accounted for 49 PERCENT , followed by "job security" at 47 PERCENT and "pension, healthcare" at 37 PERCENT .

Among those in their 60s, "pension, healthcare" topped all other answers at 66 PERCENT , way above 46 PERCENT for "economic stimulus measures."

"Consumption tax hike" was at 13 PERCENT , down 5 points from 18 PERCENT in the last poll, and it was lowest among all nine policies given for multiple choices. Those in their 30s to 50s are currently propping up the nation's social security system and will be its beneficiaries in the future. In these age brackets, the figures for this consumption tax ranged from 15 PERCENT to 16 PERCENT , comparatively higher than in the case of other generations. Among those in their 20s, however, the figure was only 2 PERCENT (12 PERCENT in the last poll).

15) Poll: LDP losing public support

NIKKEI (Page 3) (Abridged)
July 23, 2009

In the latest Nihon Keizai Shimbun poll, the rate of public support for the Democratic Party of Japan (Minshuto) was 10 points higher than that for the Liberal Democratic Party. The DPJ scored a two-digit lead on the LDP for the first time since a poll taken shortly after the July 2007 election for the House of Councillors, in which the LDP suffered a crushing defeat under then Prime Minister Shinzo Abe. With the next election for the House of Representatives just around the corner, floating voters, who hold the key, are clearly opting for the DPJ. Moreover, some LDP supporters are also distancing themselves from the LDP.

Among floating voters, the DPJ reached 21 PERCENT , up 7 points from the last poll taken in early July, as a party preferred for proportional representation in the forthcoming election for the House of Representatives. The LDP dropped 2 points to 4 PERCENT among them. "Undecided" also accounted for 44 PERCENT .

Among LDP supporters, the LDP dropped 5 points to 72 PERCENT as a party preferred for proportional representation in the next general election. Among DPJ supporters, 86 PERCENT answered that they would vote for the DPJ, up 7 points from the last poll.

In the popularity ratings for post-election premiership as well, Prime Minister Taro Aso, even among LDP supporters, was at 24 PERCENT , down 5 points, with "neither" accounting for 63 PERCENT . Among New Komeito supporters, Aso dropped 6 points to 15 PERCENT , with "neither" reaching 72 PERCENT .

Among DPJ supporters, DPJ President Hatoyama rose 6 points but remained at 51 PERCENT , with "neither" accounting for 44 PERCENT . This popularity figure apparently has yet to become a decisive factor ensuring the DPJ's victory in the upcoming general election.

16) Prime minister to call around various organizations to seek support for LDP in Lower House election

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ASAHI (Page 3) (Excerpts)
July 23, 2009

Prime Minister Taro Aso on July 22 began visiting various business organization to seek support (for the Liberal Democratic Party = LDP) in the upcoming Lower House election. It is quite unusual for any prime ministers to call around business organizations. The prime minister is now faced with changes in business organizations' stances, such as some have begun to subtly distance themselves from the LDP. The Japan Business Federation (Nippon Keidanren) has so far openly supported the LDP. However, it now stops short of categorically declaring its only supports the LDP.

The prime minister told reporters yesterday evening: "It is important to properly brief what we have done for various organizations. They listened to me with keen interest."

Calling around various organizations in the early stage of election campaigns is the election style of Prime Minister Aso, who is in his

ninth Diet term. He called JA-Zenchu and Nippon Keidanren on the 22nd. He is expected to visit automobile-related organizations, such as the Japan Automobile Manufacturers Association (JAMA) on the 23rd. He also intends to visit the Japan Pharmaceutical Association.

The prime minister at the JA-Zenchu told some 200 workers: "The LDP has protected farmers since its formation in 1955. I would like to solicit cooperation from the JA group in the upcoming election."

According to a related source, this is the first time for the LDP president himself to directly call for support from JA-Zenchu JA workers right after the Diet dissolution. His speech lasted for about 20 minutes. JA-Zenchu workers reportedly said later that it appeared that the LDP was really having an uphill fight.

At Nippon Keidanren, the prime minister met with Chairman Fujio Mitarai. According to a person who was present at the meeting, the prime minister stressed the track records he has achieved, "I have implemented economic stimulus measures, based on four budgets, since the global economic recession hit us right after I took office." Mitarai reportedly asked the prime minister, "I would like the LDP to work together and get down to serious policy discussions."

17) "Self-reflection," "changes" buzzwords in LDP policy platform

YOMIURI (Page 2) (Full)
July 23, 2009

Prime Minister Taro Aso has issued a written instruction to executive party members regarding what manifesto the Liberal Democratic Party's (LDP) should prepare for the upcoming House of Representatives election. In the instruction, Aso emphasized the need to "allay public anger and give an image that the LDP will change itself, based on its self-reflection," apparently bearing in mind the dismal public support ratings of his cabinet.

Aso distributed copies of his written instruction to the members of the party's committee on formation of policy platform, chaired by Secretary General Hosoda, during its meeting in June. Aso asked the members to formulate a two-stage policy platform - (1) what pledges should be made; and (2) what image should be given.

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In the first stage, Aso, focusing on the Democratic Party of Japan's emphasis on a change of government, ordered the members to underscore the LDP's ability to manage political affairs, particularly, differences in security and other policies between the LDP and the DPJ.

Regarding an image, the instruction analyzes: "Public distrust in politics has yet to be erased, and such distrust has led to their criticism of the LDP, which has held the reins of government for many years. The public now expect the DPJ to bring about some changes." Based on this view, Aso emphasized the need for the LDP to show its determination to change itself, in order to assuage the public's discontent.

18) Vote-gathering organizations gradually distancing themselves from LDP

ASAHI (Page 2) (Excerpts)
July 23, 2009

There seems to a change going on in three major organizations - the Japan Medical Association, Association of General Construction of Japan Inc., and Japan Agricultural Cooperatives - which have long supported the Liberal Democratic Party (LDP) as vote-gathering machines. According to the result of a survey the Asahi Shimbun conducted on the three organizations in the 47 prefectures and related political organizations, many of them still support the LDP, but some organizations have changed their responses such as that they have decided to let their members cast their votes on their own or to support the Democratic Party of Japan (DPJ) (in the upcoming House of Representatives election).

The Japan Medical Association was called the strongest lobby group in terms of gathering votes and its assertiveness. Of medical associations and medical federations (ishi-renmei) in 40 prefectures, which have decided their positions, only 27 prefectures decided to support candidates backed by the LDP and New Komeito to run in single-seat constituencies in their areas.

Moreover, more and more medical organizations are distancing themselves from the LDP, by allowing their members to cast their votes on their own in the next general election. Reacting negative to the health insurance system for people aged 75 and older, the Ibaraki Prefectural Medical Federation has decided to support the DPJ. The Ibaraki Prefectural Medical Federation recommends for the first time the LDP and DPJ candidates in the No. 1 district in the prefecture.

In the Association of General Construction of Japan and related organizations, as many as 15 prefectures have not decided on which party they should support. The reason is because they have yet to be asked by candidates for their recommendation.

Meanwhile, the Akita prefectural association has decided to recommend both the LDP and DPJ candidates in the No. 1 and 3 districts. The DPJ had not asked for the association's recommendation, but it requested this time.

Four prefectural associations have chosen free voting. The Tokyo prefectural association has allowed free voting for about ten years. Okinawa Prefecture has chosen free voting for the first time.

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With regard to agricultural organizations, including the national federation of farmers and agricultural policy (noseiren), which are called the LDP's stronghold, 28 prefectural organizations have still support the LDP. However, in Fukushima Prefecture, the agricultural organization supports the LDP candidates in the No. 1, 2, and 5 districts, but it supports the DPJ candidate in the No. 3 district. The organization will let its member cast their votes on their own in the No. 4 district. In Okayama, the agricultural organization recommends Takeo Hiranuma, an independent, who left the LDP in 2005, who is going to run in the No. 3 district. The Hiroshima agricultural organization recommends Shizuka Kamei of the People's New Party in the No. 6 district. The Aomori and Mie prefectural organizations have decided to allow their members to vote on their own decisions.

19) Hiranuma announces 15 candidates for third political force

MAINICHI (Page 5) (Full)
July 23, 2009

Takeo Hiranuma, former international trade and industry minister, announced at a press conference yesterday a lineup of 15 candidates he plans to support in the upcoming House of Representatives election as members of his group, which will be made up of independent lawmakers. They will run in the election as independents. The 15 members include two former Lower House members (Ryuji Koizumi and Minoru Kiuchi).

Hiranuma said: "I have no intention to return to the Liberal Democratic Party or join the Democratic Party of Japan. We will take action as a third political force." Asked whether he will form a new party, he replied: "We reached a consensus that we will run in the election as conservative independents belonging to the Hiranuma group. We will consider a new party after the election."

20) Specified risk materials found in U.S. beef imports

TOKYO SHIMBUN (Page 30) (Full)
July 23, 2009

The Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health, Labor and Welfare (MHLW) on July 22 announced that spinal columns, a specified risk material for BSE, where

materials believed to be the cause of BSE tend to accumulate, were found in beef imports from the U.S.

This is the twelfth case of the violation of the import conditions set by Japan since the resumption of U.S. beef imports in the summer of 2006, and the second case of the inclusion of specified risk materials (SRM). Both ministries have suspended imports from the supplier and asked the U.S. Department of Agriculture to investigate the cause.

The spinal columns were found among packages of frozen boned rib of beef shipped from Creekstone Farms Premium Beef's plant in Kansas. The MAFF Animal Quarantine Service on the 21st inspected 28 of 810 packages (roughly 16 tons) that arrived at Tokyo Port and found two packages that contained spinal columns, which were not mentioned in the safety certificates. There were no problems with the remaining 808 packages.

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At present, Japan approves the imports of U.S. beef from SRM-removed cattle aged up to 20 months, on the condition that products to be exported to Japan carry safety certificates issued by the U.S. government. When SRM were found in U.S. beef imports in January 2006, the government placed a blanket ban on such imports. Japan has imported U.S. beef totaling approximately 148,000 tons from 41 meat processing plants since the resumption of imports. Approximately 9,000 tons or about 6 PERCENT of those imports have been from Creekstone Farms Premium Beef.

According to Starzen International, the importer of the beef in question based in Minato Ward, Tokyo, the meat was to be sold for commercial use, such as for use in box lunches.

ZUMWALT